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JULY 26, 1965

NEW DEVELOPMENTS
IN THE JUTE INDUSTRY

THE WORLD'S GRAIN SUPPLY

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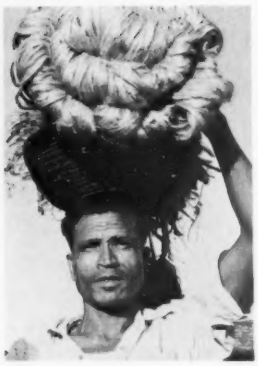

Jute goes to market on the head of a Pakistani farmer. World output of jute is second only to that of cotton among natural fibers. (See opposite page.)

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Raw jute is transported to baling centers, Pakistan: top left, by oxcart, or by river boat, as above. Jute sales account for over half country's foreign earnings.

JUTE: New Developments in an Old Industry

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For the past hundred years or so jute has been the mainstay of the fiber wrapping and bagging industry—vitally important in the handling and transport of the world's primary agricultural commodities. Today this is no longer wholly true. Jute's economic stature in world trade is being challenged by increasing competition from other natural fibers and manmade substitutes, as well as by such changed marketing practices as bulk handling and supermarket retailing.

This situation is not unlike that which has confronted the cotton, wool, and natural rubber industries in recent years. As with these commodities, the future of jute depends much on its ability to compete in price, quality, and reliability of supplies. Furthermore, the tendency for many of the smaller importing countries of jute and jute goods to move toward self-sufficiency in bagging fiber requirements only adds to the difficulties facing exporting countries.

Price, grades important

A more stabilized competitive price for raw jute is probably the most important need. The achievement of this end, however, has plagued the industry for years and will not be easily solved. Price is not the sole factor, either. Vital to the continued well-being of the jute economy are more uniform and standard grades, and additional research to produce a better product for less and to develop new end-uses. Needed too are market development projects to find new outlets and expand old ones.

Although an ancient fiber, jute entered the commercial world later than most of the commonly used vegetable fibers. Nevertheless, it is now the most widely used of the long vegetable fibers, and in production is second only to cotton among all the natural fibers. Wherever bulky, strong fabrics are required, jute is almost universally accepted because of its relatively low unit price.

Cultivation methods for jute are rather primitive, with most of the work being done by hand or with crude, oxen-drawn implements. Particularly arduous is the work of retting the crop (soaking the harvested stems for 10 to 20 days in waist-deep water to loosen the gummy substance that surrounds the fiber) and of stripping the fiber from the stalk. After this, the fiber is washed, straightened, dried, and finally baled for marketing. The strands of fiber are 6 to 10 feet long, are soft, smooth and pliable, and take dyes readily.

Production in India and Pakistan

The bulk of the world's jute supply—94 percent in 1964—comes from Pakistan and India, where about 2 million acres of jute are harvested annually, chiefly on farms of 1 to 25 acres in size. The rest is grown mainly in other Asian countries, Brazil, and Peru.

Pakistan is by far the main source of raw fiber for world markets, as most of India's jute exports are shipped as manufactured products. In July-June 1963-64, raw jute exports from Pakistan totaled 1.67 billion pounds against only 46 million pounds from India. Over half of Pakistan's foreign exchange earnings ($231 million in 1962-63) and

around 20 percent of India's ($364 million) are from exports of raw jute and jute goods.

Europe, U.S. the major importers

Approximately one-half of Pakistan's raw jute exports go to the European Common Market countries and the United Kingdom, with somewhat less than 10 percent to the United States. In 1964, total U.S. imports of raw jute were 72,972 long tons, valued at $10.3 million. Other important markets for raw fiber include India, Japan, South Africa, Egypt, and the Sino-Soviet Bloc countries.

Much of the raw fiber imported by the United Kingdom and other European countries is processed for the export market, although such shipments represent barely 10 percent of world exports. India still accounts for around 70 percent of total jute manufactures entering international channels. Most of the balance, other than European exports, comes from Pakistan, a comparatively new exporter of jute goods.

The United States is the leading importer of jute goods—$173 million worth in 1964—principally from India, although substantial quantities also come from European mills and Pakistan.

Markets and uses changing

Jute is used chiefly for bagging and wrapping commodities and materials, while other important uses include core material for electric cables, backing for upholstery material and rugs, support webbings, twines, felts, and padding. But because jute can be substituted for in practically all its end-uses, short supplies and high prices at various times have been primarily responsible for the loss of some of the traditional markets to alternative materials. A good example is in the fertilizer and cement industries, which have largely turned from jute to multiwall paper bags and cardboard containers.

Where substantial changes in marketing practices have taken place, the price of jute as compared to competitive products may be of secondary consideration. In industrialized countries, especially, bulk handling techniques, as used in handling grains, have adversely affected the demand for jute bags. Jute requirements in wholesale grocery packaging and distribution also have trended downward, further limiting consumption in the United States.

Although U.S. consumption of burlap in 1963 had regained the prewar level of around 1 billion pounds, much of this results from a steady rise in non-bag uses, such as wrapping for cotton cloth and rugs, protective cloth for nursery and landscaping operations, and, mainly, as backing for tufted carpets. For example, the use of jute backing for tufted carpets in the United States increased from 53 million pounds in 1958 to 183 million pounds in 1963. Such a growing market has not gone unnoticed. U.S. manufacturers of synthetic carpet backing have announced that their materials will soon be available.

Consumption higher in developing countries

Consumption of jute in developing countries, in general, has grown much more rapidly than in the more industrial nations. These countries use jute almost exclusively for bagging and wrapping their agricultural produce for domestic and external marketing; thus, jute requirements in the past decade have tended to parallel the sharp rise in production and export of such commodities as cotton, coffee, cocoa, sugar, rice, and other grains.

Domestic consumption of jute has increased most spectacularly in India where the annual rate since 1955 has been around 10 percent. Between 1955 and 1963, jute consumption is estimated to have increased in the Middle Eastern countries by 25 to 30 percent, and in Africa, by 10 to 15 percent. Consumption in South America also is up significantly. During January-September 1964 burlap shipments from Calcutta to South America were 50 percent larger than in the first 9 months of 1963.

Self-sufficiency an important factor

The tendency for many countries to become self-sufficient in bagging fibers is caused by the desire to (1) reduce the outflow of currency spent on jute imports, (2) develop potential sources of foreign exchange earnings, and (3) improve the income of small farmers. Consequently, the production of fibers allied to jute—such as kenaf—has increased at a faster rate than true jute.

Thailand did not become an important commercial producer of kenaf until the late 1950's. By 1962, exports of kenaf (commonly called "Thai jute" in trade circles) had reached 522 million pounds. African production of kenaf and such local fibers as Congo jute (Urena lobata) and

U.S. cotton baled in burlap is stored in warehouse. The United States uses jute for bagging farm products and is leading importer of jute goods.

punga also has grown rapidly. Output in 1963 has been estimated at 50 million pounds—up more than one-third from 1955-57.

Unstable prices hurting industry

Probably the major reason for jute's rather precarious future as an industrial fiber is the wide fluctuations of world prices for raw jute. Because India and Pakistan account for such a large part of the world's outturn, any substantial change, whether up or down, in the production of either country will ultimately be reflected in an opposite change in price. The rapidity and size of the price response, however, depends to a great extent on the level of stocks held by consuming mills and their buyers. In 1960-61, crop failures in both India and Pakistan depleted world supplies, and raw jute prices rose accordingly—from 15.3 cents per pound for raw fiber (export firsts, f.o.b., New York) in March 1960 to 27.6 cents a year later. By July 1962, prices were back to the former level.

An important factor affecting the annual supply of jute, and subsequently prices, is that jute and rice generally compete for the same land. Thus, the total area planted to jute in a given year is considerably influenced by the relationship between the prices of rice and jute at planting time, as well as by the cash return the grower received for his jute from the preceding season.

The general concern of both jute-exporting and jute-importing countries over unstable supplies and prices of jute and other long-term problems of the industry was voiced again during the second session of the Food and Agriculture Organization (FAO) of the United Nations Study Group on Jute, Kenaf and Allied Fibers, held in Rome, May 1965. An important outcome of this meeting was the establishment of a Consultative Committee (as recommended by the Working Party on Stabilization), composed of members from interested importing and exporting countries, which would normally hold semi-annual informal meetings under FAO auspices. The committee's main function is to assemble and review all factors relating to balance between the supply and demand of jute, kenaf, and allied fibers, as well as policies and programs on pricing, purchasing, production, and stocks. It is also authorized to make recommendations on such matters for discussion at the next Study Group meeting.

There is little doubt that jute will continue to be severely challenged by various alternative materials. On the other hand, increasing agricultural production in all countries should provide a potentially large outlet for jute for many years to come. And certainly, the world jute industry is going to fight hard for markets which it has supplied for over 100 years, and which are so vital to the economies of producing countries and to millions of people.

Irrigation Water Shortage Threatens Soviet Union's Cotton Crop

An unprecedented shortage of irrigation water in central Asia reportedly threatens the yield potential of this year's cotton crop in the Soviet Union.

About one-fourth of the irrigable land under agricultural use may be short of water, with probably an even higher proportion in the main cotton areas. This could lead to a 10- to 20-percent reduction in cotton output in 1965.

The winter in central Asia apparently was unusually dry. In Uzbekistan, there reportedly was a record dry fall, and through February the low level of winter snowfall had not moistened the ground by even one-half of the long-term norm. However, observation early in May in the Fergana Valley and around Tashkent indicated that the cotton areas were seeded on time and that growing conditions were good. Moreover, farmers seem to feel no apprehension about irrigation water shortages, claiming that water was adequate even in years of low snowfall.

Nevertheless, the Soviet press has continued to underline the seriousness of the shortage. Perhaps the most revealing commentary on the situation was an article in the June 15 *Pravda Vostoka*. According to this report, the water supply is unprecedentedly low, and irrigation operations are being conducted at a slow pace.

In Bukhara Oblast, states the article, almost three-quarters of the plantings have not received their first watering, and in the Fergana Valley only one-half of the area has been irrigated for the first time. The situation is much better around Tashkent where about a fourth of the area already has had water twice.

Numerous other reports of water shortages have appeared in the newspapers. The Tadzhikistan press noted that there is little water in the canals watering the lands of the Tadzhik part of the Hungry Steppe, and as a result, water is being closely distributed among state farms, divisions, and brigades.

In the winter when the water difficulties were foreseen, Uzbek irrigators reportedly carried out an additional watering of one-third of the 1.5 million hectares (1 hectare = 2.47 acres) of the most threatened lands. Ten thousand pumps were prepared, which are now gathering water for irrigation out of reservoirs and other additional sources. Also, a flotilla of floating pump stations was launched on the Amu Darya, the biggest central Asian river, and nearly 1,000 artesian wells were drilled.

This year's total area planted to cotton, though not officially announced, is believed to be almost 2.4 million hectares, a slight reduction from the 2.6 million hectares in 1964. Despite some cold weather in May, growth in early June reportedly was 10 to 12 days further ahead than for the late 1964 crop.

Some idea of the consequences of water shortages can be gained by a look at the 1962 results—a year in which a deficiency of irrigation water was aggravated by a cool spring and a summer drought. Yields of seed cotton in central Asia dropped to 18.7 centners (1 centner = 110.2 lbs.) per hectare, well below the average of recent years. In 1963, yields in central Asia jumped to 22.1 centners per hectare, with a further slight increase in 1964.

The Soviet press implies that the shortage of irrigation water is worse this year than in 1962. Furthermore, summer rainfall is not likely to bring relief, as precipitation from June through August rarely reaches 1 inch in most of these areas.

The cotton-growing season, of course, is far from over, but it is now at a rather critical stage. Events of the season will play a large part in the final outcome, but present concern implies a likely reduction in cotton production this year from the 5.28 million tons produced in 1964.

U.S. Farm Exports to France Totaled $222 Million in 1964

France today produces an overall agricultural surplus and is aggressively seeking enlarged foreign markets for some of its products, particularly soft wheat. At the same time, France maintains an elaborate protective mechanism at its frontiers to prevent or reduce unwanted competition from foreign supplies. Yet agricultural imports are fairly substantial, either as a means of supplementing French production or to provide consumers with agricultural products which are not produced domestically.

Many of the trade controls are managed somewhat flexibly allowing imports to expand whenever domestic prices reach a certain level. Thus agricultural imports were particularly high during 1964 when the overriding policy of the French Government was price stabilization at the consumer level. Moreover, in GATT negotiations, under Fruit and Vegetable Article 23, France took further steps toward freeing agricultural trade with the United States by liberalizing additional items, and by increasing import quotas on others, notably apples, pears, processed prunes, and canned fruits. Eventual complete liberalization of all Article 23 items is the mutually agreed upon goal of these negotiations.

Record reached last year

The value of the principal U.S. agricultural products exported to France reached a record high of $222 million (c.i.f. French ports) in 1964. Excluding cotton, which tends to fluctuate from year to year, the trend of imports from the United States has been steadily and rather rapidly upward since 1959—a benchmark in recent French history, in terms of stable government, currency convertibility, and certain moves toward trade liberalization.

Most major U.S. farm commodity groups have shared in the growing French market, and oilseeds and oilseed products—mainly soybeans and soybean meal—lead the list. Reversing an earlier situation, the value of U.S. oilseed and oilseed products has outranked cotton for the past 3 years—$62 million compared with $53 million in 1964. And, in spite of France's overall grain surplus, U.S. grains as a group—mainly durum wheat and corn—rank near the top of the value column, at $40 million in 1964.

Percentagewise, sharp increases have also been registered for fruits and fruit products (mainly citrus) and for variety meats. Each of these categories totaled around $16 million in 1964. Red meats at $6 million and dairy products at $9 million helped swell the totals last year to the role of "new business." Other important commodities were tobacco and tobacco products, pulses, seeds, tallow, and hides and skins.

1965 looks promising

The overall outlook for continued sales of U.S. farm products to France at around the 1964 level appears promising, but the prospect of extending the upward trend at the same rate as the past 5 years is, at best, doubtful.

Generally, except for cotton, the French market for noncompeting U.S. products should increase again in 1965. For example, there is no solid reason yet for anything but continued expansion for soybeans and soybean meal. Also, if U.S. supplies are ample and prices competitive, there could well be substantial increases for fresh citrus and citrus products. Durum wheat will also probably show an increase for 1965, depending on future U.S. pricing policies and competing supplies.

In the case of cotton, imports from the United States are expected to decline by 15-20 percent compared with 1964, in line with a similar percentage decline now anticipated in total cotton imports. This could mean a value decline of some $10 million. A severe slump in the French cotton textile industry accounts for this.

Competitive products

For products which compete more directly with French production, the prospects are either fairly stable or for increases, except in the case of nonfat dry milk, butter, and red meats.

A low point in the French hog cycle during 1963 and early 1964, when beef supplies were also short, resulted in a 1964 market in France for U.S. pork (mostly hams) of close to $6 million c.i.f. values. Hog numbers and pork production have since recovered, and this trade is expected to be off sharply during 1965. Beyond 1965 the possible trade level for pork is uncertain. But if all sanitary requirements can be satisfactorily met, France may well continue to import sizable quantities of U.S. hams, even if total pork is in surplus.

Heavy purchases of nonfat dry milk and butter last year by FORMA (Fonds d'Orientation et de Régularisation des Marchés Agricoles—the French CCC) for price stabilization purposes are not likely to be repeated in 1965, and possibly not in the near future.

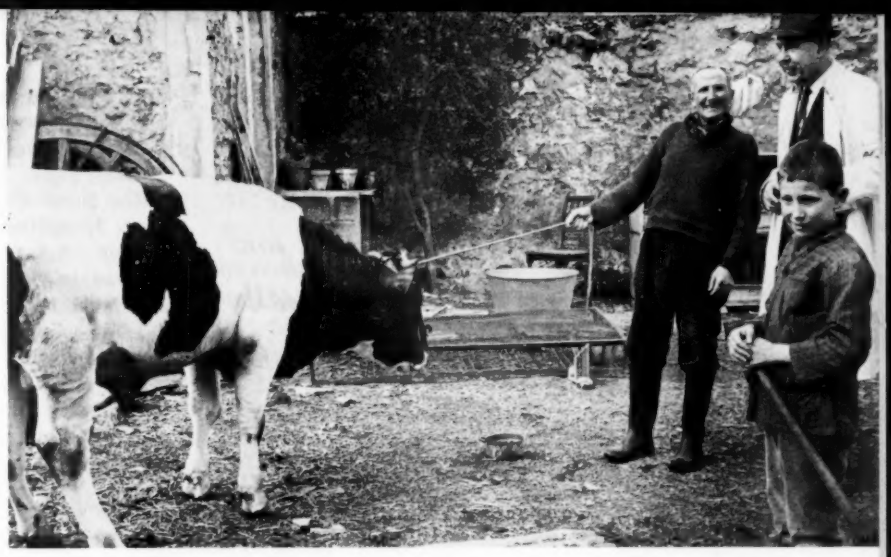
The growing French market for U.S. variety meats, on the other hand, is capable of further expansion. The same is true for tallow and for hides and skins.

On balance, the anticipated declines in U.S. exports of cotton, red meats, nonfat dry milk, and butter may be about offset during 1965 by increases for soybeans and soybean meal, durum wheat, variety meats, fruit juices, canned fruits, and vegetables. The possibility of the fulfillment of this outlook has been diminished somewhat by the effects of the prolonged U.S. shipping strike. The future course of Common Market regulations also injects a further element of uncertainty.

C.I.F. VALUES OF SELECTED U.S. FARM PRODUCTS IMPORTED BY FRANCE, 1959 AND 1964

Commodity	1959	1964
	1,000 dols.	*1,000 dols.*
Grains	8,434	39,910
Oilseeds and products	16,262	61,848
Fruits and products	4,164	16,101
Tobacco and products	7,705	9,001
Dairy products	7	9,228
Beans, peas, and lentils	1,455	3,332
Seeds	860	2,227
Variety meats	1,107	15,369
Tallow	425	2,568
Hides and skins	435	2,678
Red meat	(1)	6,131
Other[2]	397	1,437
Total	41,251	169,821
Cotton and linters	29,680	53,478
Grand total	70,931	222,399

[1] Negligible. [2] Hops, onions, canned asparagus, rice, poultry livers, honey, and inedible livestock products.
French customs data.



Gaston Pradel, owner of farm, shows off his French Friesian bull to U.S. Agricultural Attaché Paul E. Quintus, while his young grandson smiles faintly for the photographer. Most of the farm's income derives from livestock—young cattle, milk, poultry, eggs.

Agricultural Attache Visits French Farm at Epinay-sur-Orge

In France, as in the United States, farmlands in the vicinity of large metropolitan centers are rapidly being absorbed by urban spread. Within the next few years this will probably happen to the family farm of Gaston Pradel, located at Epinay-sur-Orge, about 11 miles south of Paris. Already it is surrounded by shops, stores, and other commercial establishments.

Last spring, Paul E. Quintus, U.S. Agricultural Attaché in Paris, visited Mr. Pradel's farm—not because it is a typical French farm but because it is representative of a large number of farms where the owner feels no incentive to make improvements but is waiting until he can sell at a good profit and buy a larger farm away from the metropolitan area.

Mr. Pradel purchased this 75-acre farm in 1932 and operates it with his son Lucien, who does most of the field work. No hired labor is used. A tractor is now displacing the three horses, two of which have been retained on the farm, presumably for sentimental reasons.

This family holding would be classified as mixed farming. Income is derived from crops and livestock, but mainly from the latter. There are 16 French Friesian milk cows and 16 head of young stock which are being raised for sale and herd replacement.

The farm is located on the village street; thus, all the milk and eggs produced are sold retail to consumers without passing through commercial marketing channels. The herd is TB-free, and the farm is especially licensed to sell unpasteurized milk. The cows are machine-milked.

Vegetables, such as potatoes and peas, are also grown and sold directly to customers. Wheat, oats, and barley are produced, and some of these grains are kept on the farm and some are sold to villagers with poultry enterprises. Grains are harvested by combine under contract.

With farmer's son Lucien and grandson, attaché checks on fertilizer used in horsedrawn spreader. Farm has tractor.

Mixed farming in France is indeed mixed, with poultry and hares augmenting income from vegetables, grain, and cattle.

The WORLD'S GRAIN SUPPLY

Today more than 900 million tons of grain are harvested annually but three countries—the United States, the USSR, and Mainland China—grow two-fifths of it.

Of the world's harvested acreage, 70 percent, or about 1.6 billion acres, is used to grow grain—which is more than one-half acre and one-third of a ton for each person in the world.

Three countries—the United States, the Soviet Union, and Mainland China— are the giants in grain production. Together they account for two-fifths of all the grain grown in the world.

The United States produces about 170 million tons of grain each year—almost 1 ton for each inhabitant. This exceeds domestic needs, consequently a large share, about 1 ton in every 5 produced, is exported. The Soviet Union meets its own grain needs and in most years exports fairly large quantities, but China is now a major importer.

How the grains rank

Wheat, rice, and corn rank as the world's chief grains, measured in terms of production. Wheat has the largest acreage, but its yields are relatively low. There are thousands of varieties grown throughout the world but they all fall into one of two classifications—hard or soft. Although the acreage of rice is about half that of wheat, rice output in the past few years has been nearly equal to wheat output; and together they account for almost 50 percent of world grain production. Corn ranks third in production, with 20 percent, and barley, millet and sorghums, oats, and rye make up the remainder of the world total.

Through more extensive use of fertilizer, better farm equipment, and improved farming methods, many countries have expanded their grain production. During the 5-year period, 1949-53, world production averaged approximately 650 million tons; in recent years it has increased to more than 900 million tons.

The greatest increases are in wheat, rice, and corn. Barley and sorghums are of lesser importance, but their production has also increased rapidly. Oats and rye are declining—oats because there are fewer horses to be fed, and rye because less of it is used for bread in Europe.

USSR—biggest wheat grower

World wheat output in 1963 was 5 percent below the record crop of 238 million tons in 1962, but current estimates for the 1964 harvest indicate another record year. Wheat is grown in almost all countries, but only in 10 countries does average production exceed 5 million tons a year: the Soviet Union, the United States, China, Argentina, Australia, Canada, France, India, Italy, and Turkey.

The Soviet Union, the leading producer, has averaged about 50 million tons in recent years, even with the setback in 1963. Acreage has been exceptionally high since the average yield of 12 bushels an acre is lower than in any of the other nine countries.

Total wheat production in the United States has averaged about 33 million tons a year since 1960—a 10-percent increase over the 5-year average of 1950-54. Even with acreage reduced, yields have made a significant increase: they have now reached a peak of 26 bushels an acre compared with 22 bushels in the early 1950's.

Europe's high yields

The highest wheat yields in the world are obtained in Europe. In the Netherlands, average yields reached 66 bushels an acre during the 1960-63 period, and they were above 55 bushels an acre in Belgium, the United Kingdom, and West Germany. France, now in fifth place as a wheat producer, reported in 1962 an average yield of 45 bushels an acre, though in some northern parts of the country they were as high as 90 bushels.

Of the major wheat exporters, the United States ranks first, with about 40 percent of the world's wheat and flour trade. (The United States is also the leading grain exporter, shipping from 30 million to 25 million tons annually.) Canada is second, with a little over 20 percent, and is followed by Australia, the Soviet Union, Argentina, and France. For 1964-65, wheat shipments from the major exporting countries are expected to be substantially below the previous year's levels because of bigger harvests in the importing countries.

Leading rice countries

Rice is to the Asian countries what wheat is to the Western World. China and India, the most populous countries, are the leading rice producers and grow more than half of the world's total. The Food and Agriculture Organization estimates that China produces about 80 million tons a year. Production in India reached 55 million tons in fiscal year 1964. Other leading producers that year were Pakistan, 18 million tons; Japan, 16 million; and Indonesia, 13 million.

During the last 10 years, world rice acreage has increased from 204 million in 1955-56 to 226 million in 1963-64. At the same time, yields have increased 12 percent, to raise production to unprecedented levels. With favorable conditions continuing, 1964-65 should be another record rice year.

Since most of the rice is consumed in the producing countries, exports total only about one-fifth of wheat exports. Since 1961 these have been averaging close to 6.5 million tons a year. Burma and Thailand are the leading exporters, with shipments of around 1.5 million tons each. The United States, whose rice production is a relatively small part of the world total, is in third place, exporting an average of about 900,000 tons. Other regular exporters of rice are Cambodia, Taiwan, South Vietnam, the United Arab Republic, and Italy.

Over half world's corn grown in U.S.

World production of corn reached an all-time high in

1963—205 million tons. Of this total the United States produced 51 percent and had an average yield of 67 bushels per acre. China ranks second (based on estimated data), and the Soviet Union, third. Corn output in the USSR has doubled in the last 10 years, and in Brazil it has increased by 50 percent.

The United States exports at least half the corn entering world trade each year. Other exporters of corn are Argentina, France, Mexico, the Republic of South Africa, Rumania, the Soviet Union, Thailand, and Yugoslavia.

Barley and oats

Barley is second in importance, after corn, among the coarse grains. The Soviet Union, which harvested 16 million tons in 1963, leads in production. The United States is second: it had a 9-million ton harvest that year. World acreage in the 1955-59 period was 137 million but in 1963 it hit a peak of 163 million. However, yields remained fairly constant, which in turn held this record production to 89 million tons.

Shipments of barley in world markets in fiscal 1963 were 5.8 million tons, with the United States supplying 1.5 million and France 1.1 million. Other barley exporters are Canada, Australia, West Germany, the United Kingdom, and Syria.

Oats is the only major grain showing a continual decline in world production. Yields have varied little but acreage has dropped in most producing areas, notably in the Soviet Union, North America, and Western Europe. Of the 1.4 million tons of oats entering world trade in 1962-63, the United States, Canada, and Australia shared three-fourths about equally.

Rye declining, sorghums increasing

Rye acreage in the world has been reduced by 14 million acres from the 79 million averaged in 1955-59; and at the same time, production has declined from 36.6 million tons to 31 million. Europe produces about half the world crop, with Poland growing one-fifth of the total—around 7 million tons a year. Over half of the world shipments come from the Soviet Union, while the United States and Canada share about one-third.

Grain sorghums have assumed a relatively important status only within the last 10 years. The United States is the world's largest producer: it has tripled its production since the early 1950's and is now averaging about 13 million tons a year. Other major producers are India, Argentina, China, Sudan, and Morocco. World exports of sorghums in 1962-63 totaled 3.7 million tons, of which the United States supplied 3 million. The only other major exporting country is Argentina, which shipped 10 percent of the total that year.

Denmark Embargoes Most Feed Grain Imports

Since mid-June this year, no import licenses have been issued by Denmark for shipments of barley, oats, feed wheat, and feed rye due to arrive between August 1 and January 31. A June 17 decree by the Minister of Agriculture put an embargo on imports of all coarse grains except corn and grain sorghums during this period.

The Minister has for some years had the authority to embargo these imports, but he has not previously exercised it to this extent. Purpose of the embargo, which was foreseen by grain importers but was applied somewhat earlier in the season than they had expected, is to strengthen Danish grain prices.

Although the embargo does not include the second and third most important U.S. feed grain exports to Denmark —corn and grain sorghums—it does affect barley, the most important. U.S. barley shipments to Denmark averaged 112,000 metric tons in the fiscal years 1960 through 1963, and last year they rose to 135,000. France, which in 4 of the past 5 years has pulled ahead of the United States to stand first among Denmark's barley suppliers, will also feel the embargo.

Purchase statistics issued by the Government Grain Office show that total grain imports August 1, 1964-June 15, 1965, were 514,613 tons, and import licenses were issued for 279,024 tons more. Imports of grain products were 28,960 tons, with licenses for a further 92,730 tons.

Meanwhile, Danish exports of grain and grain products so far during the 1964-65 crop year have been large; they are forecast at about 370,000 tons. Stocks were about normal as of June 15, and the supply is expected to be adequate until Danish grain of the 1965 harvest becomes available, about September 15.

However, new grain cannot be used in mixed concentrates before 5 or 6 weeks after harvest. Therefore, the National Association of Grain Dealers and the National Federation of Smallholders Associations asked the Minister of Agriculture to lift the import embargo; they said an embargo from August 1 would intensify grain imports during July and would strain storage facilities of dealers during harvesttime, just when full capacity is needed.

But the Federation of Danish Agricultural Associations —the powerful farm organization that represents 80 percent of total agricultural production—favors the embargo because it will increase Danish grain prices to the level of the basic minimum set by the the new Grain Marketing Act. All stocks of imported grain as of August 1 will have a levy applied to bring the price up to this level.

IDA Credit Aids Pakistan Farm Loan Program

Medium and long-term loans for installing tube-wells and buying farm machinery will be available to Pakistan farmers through a $27-million credit to the Government of Pakistan recently approved by the International Development Association (IDA), an affiliate of the World Bank.

Pakistan's farm output grew at an annual rate of 3½ percent during the Second Five-Year Plan (1961-65). A key factor in this growth was the additional water supply provided from the new private tube-wells and the more intensive cropping—including more mechanization—that it made possible. To reach the Third Plan's projected 5-percent growth rate, the Development Bank has expanded its farm loan program; and about a third of the necessary sum will be provided by the IDA credit, which the government will relend to the bank.

The private tube-wells to be financed under the project will irrigate an estimated 700,000 acres, and the farm machinery will permit mechanization of some 500,000.

Lower Air Cargo Rates Widen Europe's Luxury Market for U.S. Perishable Fruits, Vegetables

Recent approval by the International Air Transport Association of reductions in air freight rates to Europe for U.S. fresh fruits and vegetables is another milestone in the drive to broaden this potentially big market.

If confirmed, as expected, by all governments involved (in this country, by the Civil Aeronautics Board), existing rates would be cut by one-third effective January 1. This could pave the way for bigger exports of a number of perishable fruits and vegetables to luxury markets in northern Europe where so far only strawberries have been able to tot up sizable sales at the premium prices necessitated by air shipment costs.

Possible impact of the new rates—16 cents per pound for shipments over 1,100 pounds from New York to major European cities (slightly higher for Scandinavia and Italy) and about 10 cents additional for shipments from California—can be measured by the effect of past rate reductions on U.S. berry exports, mostly strawberries.

Lower rates—more exports

In 1963, with rates at 30¢ per pound (100-lb. minimum), U.S. berry exports during the peak sales period of January-April stood at 122,202 pounds. For the same period in 1964, with rates at 27¢ (2,200-lb. minimum), U.S. exports rose to 311,139 pounds. This year, with rates down to 23¢ (2,200-lb. minimum), U.S. exports of 854,837 pounds were almost seven times the 1963 level. (Strawberries are in fact moving so well the new rates will not apply to them.)

Exports of asparagus are also known to be up although official U.S. vegetable export statistics are not separately classified to give individual figures on asparagus.

U.S. optimism about increased exports was given an additional boost by reaction earlier this year in London and Frankfurt, Germany, to fresh fruits and vegetables airlifted daily from the United States.

At the Fruit and Vegetable Exhibit at the London Trade Center last February, British importers, restaurant managers, fancy food store owners, caterers, and other so-called luxury buyers expressed astonishment at the freshness and quality of perishables airlifted in daily from the United States. U.S. produce trade and airline representatives quoted delivered prices that aroused real interest.

So successful was the London showing that a special exhibit was arranged immediately afterwards for the trade in Frankfurt with similar results.

West Germany top buyer

January-April figures this year show West Germany as top buyer of U.S. berries with imports of 534,492 pounds, or 60 percent of total U.S. exports to Europe; Sweden was second with purchases of 113,727 pounds; and the United Kingdom next with 93,374 pounds. Other markets in the order of their importance were France, Finland, Switzerland, Italy, the Netherlands, Belgium, Denmark, and Austria.

The new 16-cent rate—buttressed by further promotion and techniques being evolved to improve shipping—could well broaden the U.S. perishable export list to include other luxury-market items like specialty Chinese-type vegetables, Persian limes, papayas, peaches, plums, nectarines, cherries, avocados, artichokes, cantaloupes, and pineapples.

Iceberg lettuce has a year-round potential (European lettuce is usually the bib variety), but air shipping costs have heretofore kept sales down.

This expansion in trade provides both the U.S. fruit and vegetable industry and transatlantic airlines with a strong mutual goal.

Industry sees a potential $2-$3 million annual business and the airlines would like to up plane utilization during the season when slackened tourist business coincides with peak demand for perishables in Europe. (Jet airliners have cargo space capacities ranging up to 90,000 pounds.)

Realization of this mutual aim depends pretty largely on air rates. Rates as low as 8-9 cents—which could come as a result of improved equipment (larger planes with more efficient motors), better handling and packaging—would act as a powerful shot in the arm to the whole perishable-export business. It would undoubtedly still be confined almost entirely to luxury markets for so-called exotic items, because air shipping will never be able in the foreseeable future to match the 2-cents-a-pound rate for shipments by surface.

Airlines and the fruit and vegetable industry are working to provide European buyers with top-quality produce, an absolute "must" for luxury markets. There has been steady improvement in packaging—which must be lightweight and durable—in cargo handling, and in facilities for environmental control.

Competition for this market from European producers during the January-April period is almost non-existent (except for a certain amount of cold-frame and greenhouse production) and import duties are low.

Competition from Mexico

Exports from Mexico, however, are increasingly entering the picture. During this past January and February—a dormant season for California strawberries which usually are not available in quantity much before the first of March—Mexico was shipping some 16,000 pounds a week to Frankfurt. Acting as deterrents to this trade are 80-cents-per-pound shipping costs and lower quality.

With expectations for increased trade to Europe now a distinct possibility, airline and trade officials are now eying the Japanese market. New developments in the rate structure are expected around September 1 which could alter the present situation.

Rates from major west coast cities to Tokyo are now about $1 per pound with a 1,100-pound minimum. IATA conferees at the recent Venice meeting could not reach agreement on a new across-the-board rate, so open rates are currently in effect for the Pacific run. A rumored move to cut present rates by one-third could result in sharply increased trade in fresh produce in a market now pretty well closed because of shipping costs.

"Eat lean pork Tuesday and Saturday," says the poster in the Italian butcher shop at left, one of 25 Rome shops participating in the first campaign. Below, a display of cuts of lean pork.

Italy's First Fresh Pork Campaign Draws Wide Support

Italy's first industry-wide promotion of fresh pork made such an impact on the local swine market that the campaign will be continued at least through the fall months in a greatly expanded operation.

During the 30 days of the pilot campaign to test consumer acceptance of top-quality lean pork—usually not available in Italian meat markets—25 butcher shops in Rome offered fresh pork at attractive prices. Over 200 hogs moved during this period, for an average weekly sale per shop of two hogs.

Need for U.S. feed grains

This raises new possibilities for widening the $95-million Italian market for U.S. feed grains which in the past have gone mainly into poultry rations, according to the U.S. Feed Grains Council which spearheaded the campaign. With a potential of 2,500 butcher shops in Rome, the demand evidenced by the recent promotion could expand to provide a market for several thousand hogs a week. Hog producers from all over Italy are asking how they can get in on the new demand for 200- to 250-pound animals from butchers.

Cooperating with USFGC were the Rome Chamber of Commerce, the Butchers Federation, the Italian Animal Producers Association, and the CEMAC Marketing Cooperative. The Modena Experiment Station supplied the first lot of hogs at favorable terms to CEMAC, which sold the meat at no profit to the Butchers Federation. When the pork went on sale beginning May 13, consumers were thus able to try fresh pork at reasonable prices.

"This integration process is the best, if not the only, system to overcome the many hurdles interposed between production and consumption of pork under present conditions," said Romano Graziani, USFGC's director in Italy.

Until now, the Italian hog industry has been raising animals expressly for ham and sausage manufacture. Because the latter requires a 300- to 400-pound carcass—which is too fatty for table use—the Italian consumer has never had an opportunity to develop a taste for fresh pork. The result has been static pork consumption at around 22 pounds per capita, the lowest in Western Europe except for that of Greece.

1964 swine conference

In an effort to coordinate production and marketing, the Italian industry held a swine conference in October 1964 of hog producers, processors, supermarket people, feed manufacturers, and USFGC representatives —marking the first time these groups had gathered to discuss mutual problems.

The outcome was a new drive to promote interest in fresh pork countrywide, beginning with a feeding demonstration of hog rations at the Modena Experiment Station, an exhibit of meat and lard-type hogs at the Verona International Livestock Exhibition in March, a carcass-cutting demonstration, and several lengthy articles in the newspapers.

Campaign results analyzed

Results of the first 30 days of the fresh pork campaign were analyzed earlier this month at a roundtable discussion with the presidents of butchers, cooperatives, hog growers, and representatives of the Chambers of Commerce from many areas of Italy. Butchers were able to tell producers and distributors more about the quality standards required and the prices the market would bear.

The USFGC regards the success of the initial campaign as a door-opener to bigger sales of U.S. feed grains for use in hog rations. Poultry is still the No. 1 consumer of feed grains in Italy, cattle next, but hogs are becoming more important because of the relatively short time it takes to bring hogs to slaughtering weights.

(Continued on page 16)

Cameroon Reduces Cocoa Producer Prices

Beginning with the 1965 mid-crop harvest, cocoa farmers of Cameroon's Eastern Region will be paid CFAFr50 per kilogram (US$9.2 per pound), compared with CFAFr85 per kilogram (US$15.6 per pound) received for the 1964-65 main crop.

The reduction of 6.4 cents per pound was deemed necessary because of the sharp decline in world cocoa prices under the pressures of an alltime record global production. Cocoa beans are now selling (New York July 1965 futures) for about 10 cents per pound, less than one-half the selling price a year ago.

Last year the United States imported $1.3 million worth of cocoa beans and cocoa products from Cameroon.

India To Import Kenaf From Thailand

India is planning to purchase 150,000 bales (27,216 metric tons) of kenaf from Thailand, with plans to import an additional 350,000 bales later in the year.

India is reportedly buying the kenaf to help meet its domestic mill requirements until adequate supplies of new-crop jute become available.

South African Sugar Prospects

South Africa's production of white sugar, originally forecast at 1.5 million tons—an increase over the alltime high of 1.4 million in 1964-65—will decrease in 1965-66 to about 1.1 million short tons. This decrease was caused by the drought which occurred in early 1965.

At the present time South Africa is importing sugar for domestic use, to be able to fill its world sugar quotas.

South Africa's sugar data no longer include Swaziland.

Netherlands Beet Acreage To Increase

Due to the present rate of increase in population and consumption, the Netherlands plans a 247,000-acre beet acreage by 1970, 5 percent over present acreage.

Since growers are protected by government policy, the guaranteed price to them has reversed the downward trend in planted acreage. Officials estimate that present processing capacity can handle the increased production.

Nigeria To Build Second Cocoa Processing Plant

An agreement was signed on June 1, between the Nigerian Western Region's Ministry of Trade and Industry and the West African Trade and Industries Company, Ltd., for the establishment of a cocoa-processing factory at the Ikeja Industrial Estate near Lagos. The new factory—which is expected to begin limited operations by mid-1966—will cost about $5.3 million and will have the capacity to process 30,000 long tons of cocoa beans annually.

Upon completion, the Ikeja factory, together with the proposed cocoa processing plant at Koko, will be able to convert 50,000 tons of cocoa beans annually into cocoa butter and cocoa cake for export.

Nigeria's Peanut Purchases as of June 24

Peanut purchases from Nigeria's 1964 peanut crop totaled 676,620 long tons, shelled basis, as of June 24, according to declarations of the licensed buying agents for the Northern Region Marketing Board. This is 14 percent less than purchases of 786,727 tons as of the comparable period last year.

Rail shipments to port by that date were 128,417 tons compared with 203,313 a year earlier, and truck shipments were 97,374 tons against 75,112.

Deliveries to the crushers at 153,337 tons were up one-fourth from last year's 122,146 tons.

Foreign Agriculture, July 12, page 14, story entitled "Nigeria's Exports of Peanuts": first line should read "The estimate for exports of shelled peanuts from Nigeria."

Philippine Exports of Copra and Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic during January-June 1965, oil-equivalent basis, totaled 304,522 long tons, 3 percent below the 313,123 exported in January-June 1964.

Coconut oil shipments during the first 6 months were 1 percent below those in January-June 1964. Shipments in June totaled 10,194 tons as against 19,885 in May. Shipments of copra were down 4 percent during the first 6 months, and in June amounted to 75,140 tons against 41,286 in May.

The copra export price in mid-July was US$212.50 per short ton c.i.f., Pacific Coast, and US$235 per long ton c.i.f., European ports. Local buying prices were reported at 66 pesos per 100 kilograms (US$16.88) resecada basis Manila, and 64 to 70 pesos (US$16.37 to US$17.90) in producing areas.

PHILIPPINE REGISTERED EXPORTS OF COPRA, COCONUT OIL

Country or continent of destination	1964[1]	January-June	
		1964[1]	1965[1]
Copra:	*Long tons*	*Long tons*	*Long tons*
United States	231,215	97,401	135,077
Europe	518,988	222,079	168,443
South America	26,800	1,000	5,000
Japan	29,880	10,800	9,750
Other Asia	500	500	500
Middle East	140	140	1,500
Total	807,523	331,920	320,270
Coconut oil:			
United States	182,736	88,191	87,493
Europe	41,286	11,660	12,056
South Africa	2,251	843	---
Japan	99	---	---
Total	226,372	100,694	99,549

[1] Preliminary.
Source: Associated Steamship Lines, Inc., Manila.

Brazil To Export More Soybeans, Peanuts, and Meal

The Brazilian Government has authorized exports of soybeans and peanuts and their respective meals in 1965. They are as follows, in metric tons, compared with actual exports of these commodities in 1964 shown in paren-

theses: soybeans 150,000 (0); peanuts 105,000 (103); soybean meal 80,000 (41,325); and peanut meal 30,000 (28,403).

Argentina Harvests Record Peanut Crop

Argentina's 1964-65 peanut production was a record 440,000 metric tons, according to the second official estimate. This is 5 percent above the first estimate and one-third larger than the 333,000 tons that the country produced in 1963-64.

Swedish Oilseed Production Down Slightly

Swedish oilseed production in 1965 is estimated at 195,500 short tons—8 percent below that of 1964 yet sharply above 1963. The decline reflects reduced acreage of mustardseed and sharply lower yields despite a significant increase in the winter rapeseed crop resulting from increased acreage. Winter rapeseed will account for nearly four-fifths of the total oilseed harvestings in 1965 compared with less than two-thirds of the total in 1964.

Spring crops were adversely affected by delayed seedings and relatively cold and dry weather. However, winter damage to fall-seeded crops was below average and warm humid weather in June had favorable effects.

SWEDISH OILSEED PRODUCTION AND HARVESTED AREA

Item	Harvested area			Production		
	1963	1964[1]	1965[2]	1963	1964[1]	1965[2]
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Rapeseed	144.1	205.1	227.3	103.3	169.8	178.6
Mustardseed[3]	54.4	56.8	29.7	41.9	43.0	16.5
Flaxseed	1.0	.7	.7	.6	.4	.4
Total	199.5	262.6	257.7	145.8	213.2	195.5

[1] Preliminary. [2] Estimated. [3] White variety only.

U.S. Exports of Soybeans, Edible Oils, Cakes and Meals

May exports of *soybeans* from the United States increased to 17.8 million bushels, slightly above the 17.6 million exported in the previous month. During the October-May 1964-65 cumulative period exports at 155.8 million bushels were 10 percent above those in the comparable 1963-64 period and exceeded those of the entire 1962-63 marketing year.

Edible oil exports in May increased to 154.0 million pounds from 149.4 million in April. Aggregate exports in the 8-month cumulative period at about 1.36 billion pounds gained by two-fifths from the corresponding period a year ago. The major markets for soybean oil were Pakistan, Spain, and India, while West Germany, Iran, and the Netherlands were major takers for cottonseed oil exports.

In May *cake and meal* exports at 162,200 short tons were somewhat below the 183,400 tons exported in April. France again resumed its position as the major purchaser in May. Exports in the cumulative period through May totaled 1.66 million tons against 0.94 million in the same period of 1963-64, thus indicating a gain of 77 percent. The countries accounting for most of the gain include West Germany, the Netherlands, and France. Exports to Spain declined reflecting some shift toward increased imports of oilseeds as such—largely soybeans from the United States.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS AND OILSEED CAKES AND MEALS

Item and country of destination	Unit	May		October-May	
		1964[1]	1965[1]	1963-64[1]	1964-65[1]
SOYBEANS					
Japan	mil. bu.	1.6	3.3	32.1	32.8
Netherlands	do.	1.7	2.4	18.4	22.5
Canada	do.	3.0	4.4	18.3	21.0
Germany, West	do.	3.1	1.3	22.7	17.6
Denmark	do.	---	.4	8.6	10.9
Other	do.	4.6	6.0	41.2	51.0
Total	do.	14.0	17.8	141.3	155.8
Oil equiv.	mil. lb.	153.8	195.6	1,551.8	1,710.7
Meal equiv.	1,000 tons	329.2	418.6	3,321.2	3,661.3
EDIBLE OILS					
Soybean:[2]					
Pakistan	mil. lb.	---	47.1	26.5	179.7
Spain	do.	---	---	---	166.5
India	do.	---	---	.1	64.4
Morocco	do.	---	6.6	26.1	53.6
Greece	do.	---	---	---	51.4
Iran	do.	6.7	5.9	35.8	50.2
Argentina	do.	---	---	(3)	40.1
Israel	do.	1.7	5.7	7.4	37.0
Turkey	do.	3.1	.2	77.6	34.0
Other	do.	51.2	19.6	429.5	173.2
Total	do.	62.7	85.1	603.0	850.1
Foreign donations[4]	do.	---	20.4	[5] .1	[5][6] 39.7
Total soybean oil	do.	62.7	105.5	603.1	889.8
Cottonseed:[2]					
Germany, West	do.	7.9	16.1	77.5	130.0
Iran	do.	4.2	.1	22.6	43.7
Netherlands	do.	---	6.1	69.0	36.3
Canada	do.	1.4	4.1	24.5	29.6
UAR	do.	24.0	---	52.3	26.7
Morocco	do.	---	6.9	6.6	23.9
Pakistan	do.	---	7.4	2.8	17.5
Venezuela	do.	3.3	2.0	18.6	16.1
Vietnam	do.	---	---	.8	8.4
Turkey	do.	---	---	33.1	8.0
Other	do.	13.2	1.3	59.8	42.2
Total	do.	54.0	44.0	367.6	382.4
Foreign donations[4]	do.	---	4.5	[5] .5	[5][6] 85.8
Total cottonseed oil	do.	54.0	48.5	368.1	468.2
Total oils	do.	116.6	154.0	971.2	1,358.0
CAKES AND MEALS					
Soybean:					
France	1,000 tons	16.9	48.2	161.2	255.1
Germany, West	do.	10.1	18.9	55.1	211.5
Netherlands	do.	16.1	12.3	77.0	187.2
Canada	do.	13.0	22.0	118.6	165.9
Belgium	do.	13.4	15.0	67.9	124.0
Italy	do.	4.5	4.4	52.0	109.0
Yugoslavia	do.	---	---	65.5	108.9
Denmark	do.	9.7	7.6	54.1	102.3
Spain	do.	24.5	7.7	118.1	58.9
Other	do.	17.3	10.1	116.1	198.2
Total	do.	125.5	146.2	885.6	1,521.0
Cottonseed	do.	7.3	10.0	36.2	96.7
Linseed	do.	---	2.2	16.0	31.1
Total cakes and meals[7]	do.	132.8	162.2	938.0	1,662.5

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Title III, P.L. 480. [5] Estimated by USDA, includes salad oil and oil in shortening. [6] October-December estimated by USDA. [7] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

NOTE: Countries indicated are ranked according to quantities taken in the current marketing year.

India's Sesameseed Crop Up

The final estimate by the Indian Ministry of Agriculture places India's production of sesameseed for July 1964-

June 1965 at 466,200 metric tons from 6,185,000 acres, against 439,300 tons from 5,919,000 acres in 1963-64.

The increase in production was mainly in Rajasthan and is attributed to an increase in acreage and to favorable weather during the growing period of the crop.

Denmark's Production of Fishmeal and Oil

Danish output of fishmeal during the first 3 months of 1965 increased 63 percent over the same period in 1964—from 14,511 metric tons to 23,686. Solubles also rose to 1,770 tons from 1,405, but ensilage (chemically treated raw fish) declined to 1,181 tons from 1,214.

Production of fish oil increased 6 percent to 5,651 tons in January-March 1965 from 5,316 in January-March 1964.

Olive Oil Exports Increase in 1964

Exports of edible olive oil from major exporting countries in 1964 were 11 percent above those in 1963 but 8 percent below the corresponding average annual exports in the 1960-63 period. The gain indicated for 1964 reflects increased availabilities from the 1963-64 outturn.

Spain, the major olive oil producer, supplied more than one-half of world exports during 1961-64 compared with less than one-fourth of the total in the 1954-57 period. Tunisia continues to rank second as a world exporter of olive oil, accounting for roughly one-fourth of the total.

Although olive oil production fluctuates widely because of the physiological "on" and "off" year production cycle, aggregate year-to-year changes in world production are relatively less than year-to-year changes for individual countries. This is accounted for by the fact that an "on" year outturn in one area is often partly offset by "off" year declines in another area.

Aggregate annual exports of olive oil have moved largely among the major producing countries of the Mediterranean Basin in rather small volume but with more stability relative to production. This probably results from a reduction in consumption of olive oil in countries during periods of short supply as well as increasing substitution of lower priced seed oils, e.g., U.S. soybean oil, during such periods.

Among the largest importers, Italy and France play the dominant role in absorbing the majority of total olive oil exports from the Mediterranean Basin. Increased domestic production from 1963-crop olives in Italy resulted in a sharp reduction in 1964 imports. This decline was, however, partly offset by increased imports into France brought about by increased consumption and some stock-building due to reduced prices in world markets.

Portugal also imported a sizable volume late in 1964 in anticipation of a sharply reduced outturn from the 1964 crop.

The United States, the largest importer outside the Mediterranean Basin, expanded its takings markedly in 1964. This gain accounted for about three-fourths of the increase in movements to nonproducing countries.

In general, exports to nonproducing countries have trended upward but at a significantly lower rate than gross exports from the Mediterranean Basin. Intra-Basin trade in olive oil between producing countries, which are estimated to account for 95 percent of the total consumption, may increase in the future. This increase is, however, partly contingent upon the future success of efforts by the International Olive Oil Council to "regularize availabilities" of oil by setting up storage facilities and developing a stockpiling and exchange agreement among producing countries. Such an agreement whereby oil would be transferred from one country to another could correct large surpluses and deficits and thereby prevent extreme price fluctuations and improve market stability.

OLIVE OIL[1] TRADE OF MAJOR PRODUCING AND IMPORTING COUNTRIES

Item and country	1960	1961	1962	1963[2]	1964[3]
EXPORTS					
Mediterranean Basin:	*Short*	*Short*	*Short*	*Short*	*Short*
Europe:	*tons*	*tons*	*tons*	*tons*	*tons*
France	2,662	2,939	3,668	4,118	2,271
Greece	9,385	300	8,888	3,007	473
Italy	11,165	14,733	13,977	9,430	15,434
Portugal	5,063	5,367	18,678	6,130	6,836
Spain[3]	169,220	156,831	91,867	84,065	102,028
Middle East:					
Turkey	94	209	29,192	15,954	8,261
Syria	696	660	995	7,339	[4]500
Africa:					
Algeria	3,220	911	5,482	6,744	[4]3,000
Morocco	923	469	240	9,189	2,737
Tunisia[5]	26,902	48,733	59,122	32,852	56,851
Subtotal	229,330	231,152	232,109	178,828	198,391
Other:					
Argentina	12,605	628	10,153	8,415	8,677
Total exports	241,935	231,780	242,262	187,243	207,068
IMPORTS					
Mediterranean Basin:					
France	22,305	26,871	23,301	16,504	27,373
Italy	141,141	108,840	123,711	141,504	62,926
Portugal	611	101	---	---	8,273
Subtotal	164,057	135,812	147,012	158,008	98,572
Other:					
Canada	1,791	2,018	1,767	956	1,852
United States	25,564	29,397	28,763	16,443	33,438
Mexico	648	832	1,187	897	821
Brazil	13,365	9,445	11,682	5,720	7,798
West Germany	2,169	5,012	3,913	2,114	3,319
Norway	2,860	3,476	3,816	1,726	949
Switzerland	1,863	2,618	2,312	1,691	2,671
United Kingdom	3,046	3,067	3,333	2,326	3,477
Angola	3,020	3,380	3,849	3,537	4,396
Australia[6]	6,071	5,167	6,601	5,431	4,685
Subtotal	60,397	64,412	67,223	40,841	63,406
Total imports	224,454	200,224	214,235	198,849	161,978

[1] Excludes olive foots oil if separately classified. [2] Preliminary. [3] Trade estimate. [4] Estimated. [5] Includes Spanish Morocco and Tangier. [6] Year ending June 31.

Dutch Cigarette Sales Up

Cigarette sales in the Netherlands during the first quarter of calendar 1965 totaled 4.0 billion pieces—up almost 39 percent from the 2.9 billion sold during the same period last year.

Cigar sales rose to 296 million pieces from 254 million, but cigarillos dropped to 109 million from 121 million for January-March 1964. However, sales of cut tobacco, at 5.8 million pounds, were 22.6 percent greater than the 4.7 million sold during the first quarter last year.

Rhodesian Flue-cured Auction Sales

Auction sales of flue-cured tobacco in Salisbury, Southern Rhodesia, totaled 144.2 million pounds for the first 17 weeks of sales, ended June 30, at an average price equivalent to 41.6 U.S. cents. Sales during the same period a year ago totaled 164.5 million pounds at an average of 33.4 cents.

U.S. Tobacco Exports Up in May

U.S. exports of unmanufactured tobacco in May 1965, at 35.7 million pounds, were 14 percent larger than the 31.3 million shipped out in May 1964. The export value was $28.9 million compared with $23.1 million.

Exports of most major kinds of leaf, including flue-cured, Virginia fire-cured, dark-fired Kentucky-Tennessee, and Maryland were above those of May a year ago. Burley exports, however, dropped to 2.8 million pounds, from 4.0 million.

Total exports for the first 5 months of calendar 1965 were 14.3 percent below those of January-May 1964. For the first 11 months of fiscal 1965 exports were about 444 million pounds, compared with 488 million in the same period of fiscal 1964.

Exports of tobacco products in May 1965 were valued at $14.1 million, compared with $10.5 million in May 1964. For the first 5 months of calendar 1965, total value of all tobacco product exports was $48.0 million, down about 1 percent from those of January-May 1964. All kinds of products, except smoking tobacco in bulk, were below those of last year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	May 1964	May 1965	January-May 1964	January-May 1965	Change from 1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	23,515	29,300	119,193	101,333	−15.0
Burley	4,040	2,816	14,943	10,647	−28.7
Dark-fired Ky.-Tenn.	387	405	6,970	6,285	− 9.8
Va. fire-cured [1]	184	238	1,990	2,090	+ 5.0
Maryland	951	1,027	4,204	2,727	−35.1
Green River	79	94	314	379	+20.7
One Sucker	7	6	56	63	+12.5
Black Fat, etc.	430	274	1,257	1,219	− 3.0
Cigar wrapper	681	298	2,522	1,472	−41.6
Cigar binder	50	14	977	1,524	+56.0
Cigar filler	84	33	159	190	+19.5
Other	878	1,232	5,174	7,302	+41.1
Total	31,286	35,737	157,759	135,231	−14.3
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	23.1	28.9	120.8	104.7	−13.3

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	May 1964	May 1965	January-May 1964	January-May 1965	Change from 1964
Cigars and cheroots					*Percent*
1,000 pieces	4,420	2,887	17,874	15,913	−11.0
Cigarettes					
Million pieces	1,890	2,795	9,404	9,269	− 1.4
Chewing and snuff					
1,000 pounds	49	13	173	95	−45.1
Smoking tobacco in pkgs.					
1,000 pounds	152	131	604	348	−42.4
Smoking tobacco in bulk					
1,000 pounds	1,211	899	3,643	4,368	+19.9
Total value declared					
Million dollars	10.5	14.1	48.4	48.0	− .8

Bureau of the Census.

New Zealand's Cigarette Output Down

Cigarette output in New Zealand during 1964 turned downward after showing a steady upward annual trend during the past decade. Production last year amounted to 3,643 million pieces, compared with 3,756 million in 1963. Also, the combined production of the other products dropped to 4.1 million pounds from 4.7 million for the previous year.

Cigarette sales rose to a new record of 3,796 million pieces and were 2.5 percent larger than the 3,703 million sold in 1963. However, the combined sales of the other products dropped to 3.9 million pounds from 4.4 million for 1963.

Italy's Cotton Imports Lower

Imports of cotton into Italy during the first 7 months (August-February) of the 1964-65 season totaled 508,000 bales (480 lb. net), 18 percent below imports of 619,000 bales in the same period of 1963-64. Imports of U.S. cotton totaled 251,000 bales during the period under review, 49 percent of the total, against 206,000 bales or 33 percent of the total in the same period a year earlier.

Raw cotton consumption in the August-February period of 1964-65, at 517,000 bales, was 15 percent below consumption of 611,000 bales in the same 1963-64 period. Total consumption for the 1964-65 season is expected to be less than 1.0 million bales for the first time since 1958-59.

Imports for the entire 1964-65 season are not likely to exceed consumption. Imports in 1963-64 were 1,103,000 bales, slightly above average imports of 1,080,000 bales in the past five seasons.

Quantities imported from principal suppliers other than the United States from August 1964 through February of 1965, with comparable 1963-64 figures in parentheses and in 1,000 bales were Turkey 70 (109); Mexico 54 (122); El Salvador 30 (3); Syria 21 (6); Sudan 18 (37); USSR 10 (7); Guatemala 8 (13); Brazil 8 (9); Peru 7 (13); and Iran 7 (12).

The Italian cotton industry continues to operate at reduced capacity, largely because of slack demand for cotton textiles both at home and abroad, and competition from imported textiles. In an effort to stem the flow of imported cotton fabrics, effective January 15, 1965, the Italian Government revoked the liberalization of raw and bleached fabric imports from the United States, Spain, UAR, Hong Kong, Formosa, India, and Pakistan. The U.S. quota for the March-December period of 1965 was set at 1,220 tons, about the level of imports for the same 1964 period.

Dutch Evaporated Milk Exports Up

The Netherlands exported 81 million pounds of evaporated milk in the first quarter of 1965, 8 million more than in the same period of 1964. The largest single shipment, 12 million pounds, was made to Burma. Last year, Burma took 5 million pounds. Slightly larger sales were also made to several Asiatic countries, among them Hong Kong, Kuwait, and Saudi Arabia. The Philippine Republic, a heavy purchaser a year ago with 9 million pounds, took less than 1,000 pounds.

Among West European countries, only Greece and West Germany took larger quantities than in 1964. Greece increased its purchases from 4 million pounds to 8 million, while West Germany's rose from 776,000 pounds to 6 million.

Overall shipments to African countries were up 4 percent to approximately 16 million pounds. The increase in sales to Morocco, Libya, Senegal, and the Ivory Coast was sufficient to offset reduced sales to Ghana and Nigeria.

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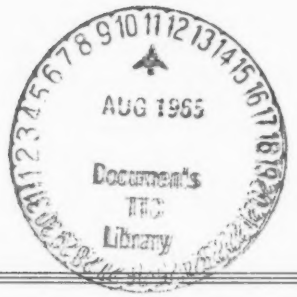

Total exports of condensed milk were down 8 percent to 83 million pounds. Thailand continued as the leading market with the purchase of 20 million pounds. The other major outlets in Asia, namely, Malaysia and the Philippine Republic, took 13 million pounds and 4 million pounds, respectively.

No sales were made to Cuba compared with 7 million pounds in first quarter 1964.

New Zealand Dairy Outlook

New Zealand's dairy production reached a new record in the year ended May 31, 1965, owing to unequalled weather and pasture conditions, together with some increase in cow numbers.

According to preliminary estimates, butterfat processed during the 1964-65 season reached 552 million pounds, an increase of 7 percent over the preceding year, and the third successive year of record production. The need for greater diversification in the dairy industry's use of milk and butterfat in the production of dairy products has become increasingly apparent. In the past 2 years, the industry spent nearly $840,000 channeling supplies to different factories and/or converting factories to other purposes. These included changeovers in order to reduce cheese production and increase butter/dry skim milk output or butter/casein output.

Output of dry skim milk and casein in 1965-66 is expected to be considerably higher, largely due to increased factory capacity. It is also planned to convert casein factories from the production of inedible casein to edible. For this purpose and also to provide funds for other factory flexibility, the dairy industry is setting aside more than $1 million as a product development fund, expected to come from the Dairy Board's profits on 1964-65 butter and cheese exports. This new fund will facilitate shifts in the use of milk and butterfat and eliminate the need to seek loans from the government as was done in the previous 2 years.

Italy's First Fresh Pork Campaign

(Continued from page 11)

Although the primary promotional emphasis of the USFGC program has lately shifted to cattle feeds, hog rations will continue to be promoted through feeding demonstrations and scientific exhibits and seminars. Most swine producers in Italy are today practicing heavy grain feeding. They could benefit still more by marketing hogs sooner, at around 5 to 6 months, because of more economical feed conversion and rapid turnover of stock.

On both the demand and the supply sides, the conditions favoring higher fresh pork consumption have never been better. Consumer purchasing power is on the upswing, and the advent of better refrigeration facilities in the home and in retail outlets should encourage long-range planning in food buying.

Under the impetus of the Italian Government's program to boost hog production to help ease current shortages of red meats, 1964 swine numbers at around 5 million head continued their upward trend of recent years, the only type of livestock to do so.

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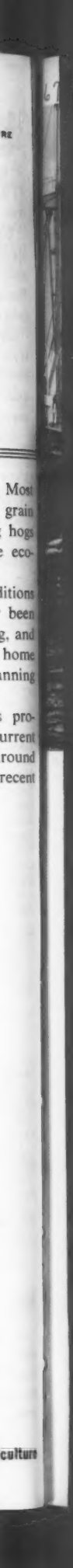
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